

Message Text

CONFIDENTIAL

PAGE 01 LONDON 12043 051717Z

65

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01 ACDA-05

/064 W

----- 085746

R 051705Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3516

SECDEF

AMEMBASSY BONN

CINCUSAREUR

C O N F I D E N T I A L LONDON 12043

E.O. 11652: GDS

TAGS: MARR. MILI, 0S, UK, GW

SUBJ: ANGLO-GERMAN OFFSET AGREEMENT

1. A JULY 22, 1975 ARTICLE IN THE FINANCIAL TIMES HEAD-LINED "BONN MAY PAY MORE OF RHINE ARMY COSTS" INTIMATED THAT THE FRG FEELS THE UK ECONOMY IS IN SUFFICIENTLY DIRE STRAITS THE BRITISH MAY, AGAIN, BE COMPELLED TO CUTBACK ON DEFENSE EXPENDITURES. TO REDUCE ANY PRESSURE FOR CUTS IN THE BAOR, THE GERMANS ARE WILLING, ACCORDING TO ARTICLE, TO "MAKE FURTHER FINANCIAL PAYMENTS TO BRITAIN TO HELP OFFSET FOREIGN EXCHANGE COSTS OF KEEPING BRITISH FORCES ON THE RHINE". WE APPROACHED MOD (WITHOUT REFERENCE TO THE ARTICLE) TO SEEK CURRENT STATUS OF OFFSET PLAY AND ONLY THE FOLLOWING TWO POINTS EMERGED:

(A) UK MINISTERS ARE "STILL CONSIDERING WHAT LINE UK SHOULD TAKE WITH FRG ON OFFSET;

(B) THE MOD/FCO HAVE NO REASON TO BELIEVE "FRG WILL GIVE BRITISH ANYTHING ON A PLATE".

IT IS OBVIOUS THAT THE BRITISH ANTICIPATE AN "UPHILL BATTLE AGAIN" BUT THEY WILL EMPHASIZE TO THE GERMANS "HOW BLOODY EXPENSIVE IN FOREIGN EXCHANGE COSTS BAOR IS". THE IMPRESSION WE HAVE IS THAT THE MOD IS QUITE SKEPTICAL

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 12043 051717Z

THIS RECURRENT SOURCE OF ANGLO-GERMAN FRICTION IN THE

DEFENSE FIELD WOULD EASILY BE REMOVED BY A SUDDEN "CHANGE
IN GERMAN HEARTS" -- MEANING, OF COURSE, A CHANGE IN PRO-
CUREMENT PATTERNS WHICH WOULD ACTUALLY LEAD "TO THE PLACE
MENT OF SUBSTANTIAL MILITARY ORDERS TO BRITAIN". WHILE
THERE ARE MANY IN WHITEHALL WHO WOULD BE DELIGHTED TO
HAVE THEIR SKEPTICISM ON THIS SUBJECT SHATTERED BY
GERMAN PERFORMANCE, IT IS DIFFICULT TO FIND ANYONE WILL-
ING TO GIVE ATTRACTIVE ODDS.

RICHARDSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, OFFSET PAYMENTS, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON12043
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750270-0395
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750882/aaaacufs.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUN 2003 by CunninFX>; APPROVED <03 JUN 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANGLO-GERMAN OFFSET AGREEMENT
TAGS: MARR, MILI, EFIN, US, UK, GE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006